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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/680,923	10/06/2000	Steven Bechhofer	40108/00101	3044
30636	7590	07/14/2006	EXAMINER	
FAY KAPLUN & MARCIN, LLP 150 BROADWAY, SUITE 702 NEW YORK, NY 10038			MEINECKE DIAZ, SUSANNA M	
			ART UNIT	PAPER NUMBER
			3623	

DATE MAILED: 07/14/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No. 09/680,923	Applicant(s) BECHHOFFER ET AL.	
	Examiner Susanna M. Diaz	Art Unit 3623	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 11 April 2006.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 2-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 2-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. This final Office action is responsive to Applicant's response filed April 11, 2006.  
Claim 10 has been amended.  
Claims 2-20 are pending.

### ***Response to Arguments***

2. Applicant's arguments filed April 11, 2006 have been fully considered but they are not persuasive.

Applicant argues that "the ability of the present invention to project a future condition would not be precluded if one of the four elements described in the Daniell strategy was removed or was at a nil value. Thus, it is respectfully submitted that Daniell's disclosure neither teaches nor suggests 'projecting at each of the predetermined times the future condition of the business entity' as recited in claim 15." (Page 10 of Applicant's response) Daniell actively describes how all four elements can be used; however, the claimed invention does not expressly require all of the four elements described in Daniell nor does the claimed invention preclude the use of all four elements (which Applicant cites as "scales of potential harm, likelihood of occurrence, capability to respond, and probability of effective deployment of that capability" (page 9 of Applicant's response)). Furthermore, the claims do not specify how predetermined times are established; therefore, it could be predetermined that forecasts are evaluated as needed. The word "predetermined" merely refers to the fact that the decision to generate a forecast is performed at some point (even a second) prior to actively working

on the forecast, especially since no specific temporal frame of reference has been established in the claims.

Applicant challenges the Examiner's Official Notice that "it is old and well-known in the art of financial risk management to calculate risk in terms of a monetary value and impact." (Page 10 of Applicant's response) In support of this statement of Official Notice, the following references are cited:

Graham et al. "How Much Capital is Enough?" Credit Union Management, vol. 18, no. 2, pages 42-46, February 1995 -- "Our methodology attempts, first, to identify the more probable business risks facing the credit union; second, to measure each risk's financial impact on the credit union; and, third, to calculate the amount of capital coverage needed to hedge against that risk without impairing the stake of the shareholders." (§ 12)

Barton et al. (US 2002/0059093) -- "The list of compliance requirements is organized in accordance with a severity matrix format...the financial impact of non-compliance is rated high when there is an impact greater than ten percent of net income, medium when the impact is greater than five percent, but less than ten percent, of net income, and low when it has an impact affecting less than five percent of net income." (§ 72)

Also, Examiner notes that, as per MPEP § 2144.03(C), the remaining statements of Official Notice made in the art rejection have been established as admitted prior art

since Applicant has not traversed the Examiner's other assertions of Official Notice, reproduced herein for Applicant's convenience:

Official Notice is taken that it is old and well-known in the art of automation to use computer software to automatically perform mathematical calculations.

Official Notice is taken that it is old and well-known in the art of business management to assess the financial health of a business based on one of earnings before interest and taxes ("EBIT"), operating cost savings and market share gains.

Official Notice is taken that it is old and well-known in the art of forecasting to predict future events as far as a month or week in advance.

Official Notice is taken that it is old and well-known in the art of modeling to continuously compare forecasted to actual performance conditions in order to refine, and ultimately optimize, the model on which the forecasting is based.

### ***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 2-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Daniell ("Strategy and Volatility: Risk and Global Strategic Challenge").

Daniell discloses performing the steps of:

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[Claim 15] identifying a plurality of risks and a plurality of opportunities for the business entity (¶¶ 3, 11-38);

evaluating at predetermined times a potential impact of each of the risks and each of the opportunities on the future condition of the business entity (¶¶ 11-38 – Risks and opportunities would be assessed at a time determined to be prior to occurrence of the risks or opportunities);

determining at each of the predetermined times for each of the risks, *one of* a probability that the risk will occur during a predetermined period of time and a frequency at which the risk will occur (¶¶ 15-28);

determining at each of the predetermined times for each of the opportunities, *one of* a probability that the opportunity will occur during a predetermined period of time and a frequency at which the opportunity will occur (¶¶ 29-31);

projecting at each of the predetermined times the future condition of the business entity based on a value of each of the risks and opportunities, wherein the value for each of the risks and opportunities is determined based on the potential impact and the corresponding one of frequency and probability (¶¶ 11-38);

[Claim 4] handling at least one of the risks to decrease the probability that the at least one risk will occur (¶ 30);

handling at least one of the opportunities to increase the probability that the at least one opportunity will occur (¶ 30);

[Claim 6] identifying a root cause for one of the risks and the opportunities (¶¶ 11-38).

As per claims 15, 16, and 2-9, Daniell discloses the underlying theory to integrated risk-opportunity analysis, yet Daniell does not expressly teach the performance of the recited steps using a computer-readable storage medium storing a set of instructions, the set of instructions capable of being executed by a processor to project a future condition of a business entity (i.e., computer software). However, Official Notice is taken that it is old and well-known in the art of automation to use computer software to automatically perform mathematical calculations. This practice increases the likelihood of achieving more rapid and accurate computations (in comparison to the same computations being completed manually by a human). Therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to utilize computer software to perform the steps disclosed by Daniell and addressed by the modified Daniell (discussed below) in order to increase the likelihood of achieving more rapid and accurate computations (in comparison to the same computations being completed manually by a human).

Regarding claims 15 and 16, Daniell discusses risk in relation to the financial world, including elements of "issuer risk, interest-rate risk, market risk, currency risk, counterparty risk, and other risk elements" (§ 15) and potential harm of a risk (§ 16). Opportunity is assessed, at least in part, based on its value (§ 29). "A highly valuable opportunity with a low likelihood of occurrence may be less valuable than a lesser opportunity with a higher likelihood of occurrence" (§ 31). While Daniell does not expressly define a *monetary* value or impact in relation to each of the risks and opportunities, the Examiner submits that it is old and well-known in the art of financial

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risk management to calculate risk in terms of a monetary value and impact. Similarly, the Examiner submits that it is old and well-known in the art of opportunity evaluation to assess an opportunity's value in terms of monetary value and impact. With most businesses, financial numbers are the bottom line; therefore, projected and actual monetary values associated with corporate ventures (including a certain level of risk and opportunity) mean everything to the success or failure of the business. Since Daniell addresses risk in a financial environment and the value of business opportunities, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to adapt Daniell to expressly perform the step of projecting at each of the predetermined times the future condition of the business entity based on a monetary value of each of the risks and opportunities, wherein the monetary value for each of the risks and opportunities is determined based on the potential monetary impact and the corresponding one of frequency and probability in order to facilitate the generation of figures that are more meaningful to a business' bottom line (i.e., how well the business is doing or will likely do financially). Furthermore, as per claim 16, Official Notice is taken that it is old and well-known in the art of business management to assess the financial health of a business based on one of earnings before interest and taxes ("EBIT"), operating cost savings and market share gains. Since Daniell discusses risk in relation to the financial world, including elements of "issuer risk, interest-rate risk, market risk, currency risk, counterparty risk, and other risk elements" (§ 15), the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to further adapt the modified



version of Daniell to evaluate potential monetary impact as a function of one of earnings before interest and taxes ("EBIT"), operating cost savings and market share gains (claim 16) in order to yield a more comprehensive and accurate analysis of one's business financial health.

Regarding claims 2 and 8, Daniell does not expressly teach that the monetary value is determined by a multiplication of the potential monetary impact by the corresponding one of frequency and probability nor does Daniell perform the step of ranking each risk based on a result of the multiplication of the potential monetary impact of each risk by the corresponding one of frequency and probability for the risk. Daniell does, however, identify risks in terms of their potential harm or impact (§ 16) and opportunities in terms of their relative value (§ 31). The Examiner submits that weighting factors are commonly used to express the significance of the potential impact of a factor in an equation. Therefore, since factors are addressed in terms of monetary value and impact (as discussed in the modified version of Daniell above), the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to determine the monetary value by a multiplication of the potential monetary impact by the corresponding one of frequency and probability in order to reflect the severity of potential harm or impact of the risks and opportunities (as suggested by Daniell) in a form that is more conducive to yielding meaningful calculations regarding risks and opportunities and their potential effects on an organization. Additionally, the Examiner submits that ranking weighted data is old and well-known in the art of data analysis. Ranking weighted data assists a user in more

rapidly evaluating which factors may be more important or crucial to consider than others. Daniell states that "comparative values can be set on fully analyzed net risks and net opportunities to drive investment policies and programs" (§ 35), thereby implying that Daniell carefully assesses a list of risks and opportunities. Therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Daniell to rank each risk based on a result of the multiplication of the potential monetary impact of each risk by the corresponding one of frequency and probability for the risk in order to further assist a user of Daniell's methodology in more rapidly evaluating which risks and opportunities may be more important or crucial to consider than others (e.g., in evaluating investment policies and programs).

As per claim 3, Daniell does not expressly teach that each of the risks and opportunities is reported to management of the business entity; however, as discussed above, Daniell explains theory that is used to evaluate business strategies in light of risks and opportunities. The Examiner submits that it is old and well-known in the art of business management that the management of business entities is typically concerned with the evaluation of business strategies in order to promote successful, intelligent management of the organization. Therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to report each of Daniell's risks and opportunities to management of the business entity in order to promote successful, intelligent management of the organization.

Regarding claim 5, Daniell does not expressly teach that one of a checklist and a questionnaire identifies one of the risks and the opportunities; however, a modified version of Daniell automating the theory taught by Daniell was addressed above. Furthermore, the Examiner submits that the use of checklists and questionnaires to gather data as input to a software program is old and well-known in the art of integrated software. In other words, checklists and questionnaires are commonly used to present options in an organized manner so that users can quickly and conveniently enter data needed to perform certain automated calculations. Therefore, in light of the modified, automated version of Daniell, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to further modify Daniell to include one of a checklist and a questionnaire that identifies one of the risks and the opportunities in order to present options in an organized manner so that users can quickly and conveniently enter data needed to perform certain automated calculations.

As per claim 7, Daniell is dealing with future risks and opportunities at predetermined times (i.e., sometime prior to the occurrence of projected risks and opportunities); however, Daniell does not expressly teach that these predetermined times include one of a month and a week. However, Official Notice is taken that it is old and well-known in the art of forecasting to predict future events as far as a month or week in advance. The time period for forecasting is often based on an organization's needs. For example, the time period for forecasting requirements in a just-in-time manufacturing environment might be as short as a week because of the nature of the

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environment while long-term business goal planning might involve generating forecasts a month in advance. Therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Daniell to perform its forecasts either a week or a month in advance in order to better suit the varying needs of different types of organizations and events.

As per claim 9, Daniell does not expressly teach the step of comparing a previously projected future condition to an actual condition at a time corresponding to the previously projected future condition to determine an accuracy of the projected future condition. However, Official Notice is taken that it is old and well-known in the art of modeling to continuously compare forecasted to actual performance conditions in order to refine, and ultimately optimize, the model on which the forecasting is based. This procedure helps to ensure that forecasting parameters are up-to-date and comprehensive, thereby yielding more accurate results. Since Daniell is concerned with providing business entities with comprehensive and accurate business analyses, the Examiner asserts that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to adapt Daniell to perform the step of comparing a previously projected future condition to an actual condition at a time corresponding to the previously projected future condition to determine an accuracy of the projected future condition in order to refine, and ultimately optimize, the model on which the forecasting is based. This would help to ensure that Daniell's forecasting parameters are up-to-date and comprehensive, thereby yielding more accurate results

[Claims 10-14]      Claims 10-14 recite limitations already addressed by the rejection of claims 15, 2, and 4 above; therefore, the same rejection applies.

It should be noted that the various recited means are deemed to be structural elements that are commonly used to execute interactive software (which is discussed above). For the reasons presented above, the Examiner further submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to incorporate the various recited means to facilitate data entry and calculations as part of the software-implemented version of Daniell in order to increase the likelihood of achieving more rapid and accurate computations (in comparison to the same computations being completed manually by a human).

Regarding claim 12, Daniell does not expressly teach that risks having monetary values below a threshold are accepted; however, the Examiner submits that setting an acceptable threshold of risk is an old and well-known business practice. Clearly, organizations have their respective risk and financial limits. For example, accepting a \$1 million risk would be more feasible for a company worth \$1 billion than a smaller company worth \$500,000. Therefore, the Examiner submits that it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify Daniell such that risks having monetary values below a threshold are accepted in order to produce more accurate models that are customizable to take into account how different businesses are run.

As per claim 14, Daniell analyzes net risks (plural) in relation to investment policies and program planning, thereby implying that two risks are determined to affect one future condition (¶ 35).

[Claims 17-20] Claims 17-20 recite limitations already addressed by the rejection of claims 15, 2, and 4 above; therefore, the same rejection applies.

### ***Conclusion***

5. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Buddle et al. (U.S. Patent No. 6,912,502) -- Discloses a compliance management system in which risks are assessed in terms of an occurrence magnitude and severity rating at predetermined times using a questionnaire.

6. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

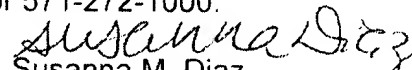
A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Susanna M. Diaz whose telephone number is (571) 272-6733. The examiner can normally be reached on Monday-Friday, 10 am - 6 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq Hafiz can be reached on (571) 272-6729. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

  
Susanna M. Diaz  
Primary Examiner  
Art Unit 3623

June 21, 2006